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## BEFORE THE ARIZONA CORPORATION COMMISSION

2002 OCT 10 A 11: 16

WILLIAM MUNDELL

Arizona Corporation Commission

Chairman

DOCKETED

AZ CORP COMMISSION  
DOCUMENT CONTROL

JIM IRVIN

OCT 10 2002

Commissioner

MARC SPITZER

Commissioner

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF  
ARIZONA PUBLIC SERVICE COMPANY FOR AN  
ORDER OR ORDERS AUTHORIZING IT TO ISSUE,  
INCUR, OR ASSUME EVIDENCES OF LONG-  
TERM INDEBTEDNESS; TO ACQUIRE A  
FINANCIAL INTEREST OR INTERESTS IN AN  
AN AFFILIATE OR AFFILIATES; TO LEND  
MONEY TO AN AFFILIATE OR AFFILIATES;  
AND TO GUARANTEE THE OBLIGATIONS OF AN  
AFFILIATE OR AFFILIATES

DOCKET NO. E-01345A-02-0707

**EXPEDITED CONSIDERATION  
BY COMMISSION REQUESTED****EMERGENCY MOTION OF ARIZONA PUBLIC SERVICE COMPANY  
TO MODIFY PROCEDURAL ORDER OF OCTOBER 9, 2002**

Arizona Public Service Company ("APS" or "Company") hereby moves that the Arizona Corporation Commission ("Commission") modify the Procedural Order issued by the Chief Administrative Law Judge ("ALJ") in the above-captioned proceeding on October 9, 2002. Such Procedural Order establishes a procedural schedule that cannot and will not result in Commission resolution of this matter by the end of 2002, as discussed by the Commission and the ALJ during the August 27, 2002 deliberations on Track A of the Commission's Generic Investigation docket.<sup>1</sup> Given that discussion, and more importantly the critical and exceptionally volatile nature of the present capital markets, it is essential to consider this matter either prior to the Track B proceeding or immediately following such proceeding. In that the Procedural Order requires APS to publish notice of the hearing by October 28, 2002, it is further necessary for the Commission to rule on the

<sup>1</sup> This is Docket No. E-00000A-02-0051, which has been further divided into Track A and Track B.

1 instant Motion prior to that date. Thus, expedited consideration of the Company's Motion  
2 by the full Commission is respectfully requested.

### 3 **THE SCHEDULE IN THE PROCEDURAL ORDER IS TOO SLOW**

4 The Procedural Order does not require Staff or Intervenor testimony until  
5 December 13, 2002, nearly three months after the filing of the Company's Application.  
6 The hearing itself is not until next year. This not only flies in the face of the  
7 Commission's discussion (and for than matter, the ALJ's) on August 27<sup>th</sup>, it also ignores  
8 the discussion by the Commissioners during the October 4, 2002 Procedural Conference.  
9 Such discussion clearly indicated the need for this matter to move in parallel with Track  
10 B—both due to its intrinsic importance and to lessen the temptation to use this proceeding  
11 as leverage in Track B.

12 As was stated during such Procedural Conference, and as is abundantly clear to  
13 anyone who reads the financial press, the capital markets are deteriorating literally on a  
14 daily basis. The Company's financial advisors have impressed upon the Company the  
15 need to act quickly lest the availability of capital on favorable terms disappear well before  
16 the scheduled maturity of Pinnacle West Capital Corporation's ("PWCC") debt in early  
17 summer of 2003.

18 Even the possibility of the type of inordinate delay proposed by Staff at the  
19 October 4<sup>th</sup> Procedural Conference and adopted by the Procedural Order was received  
20 very negatively by the market. And in fact, there was a significant drop in PWCC market  
21 capitalization during the first trading day after October 4<sup>th</sup>.

### 22 **AN ALTERANTIVE SCHEDULE**

23 APS continues to believe the modified schedule that the Company proposed during  
24 the October 4<sup>th</sup> Procedural Conference is both reasonable and achievable. That schedule  
25 called for Staff and Intervenor testimony by November 1 and a hearing beginning on  
26 November 18, 2002.

1           However, in an attempt to further respond to Staff's stated need for additional time,  
2 and to satisfy the desire of certain Intervenors that this matter come after the Track B  
3 hearing, APS proposes the following schedule in substitution to that set forth in the  
4 Procedural Order.

5                     October 11, 2002 — APS files direct testimony<sup>2</sup>

6                     October 25, 2002 — APS public notice competed

7                     November 15, 2002 — Staff and Intervenors file testimony and last  
8 day for intervention

9                     December 3, 2002 — APS files rebuttal (if any)

10                    December 6, 2001 — Hearing begins and parties submit proposed  
11 proposed forms of opinion and order pursuant to A.A.C. R14-2-110

12       This schedule is a compromise between that proposed by the Company at the October 4<sup>th</sup>  
13 Procedural Conference and that set forth in the Procedural Order. It also would permit  
14 Commission action by the end of 2002 should the Commission either direct the expedited  
15 preparation by the ALJ of a recommended form of opinion and order, or better yet, hear  
16 this matter directly as is clearly permitted under the Commission's rules of procedure.

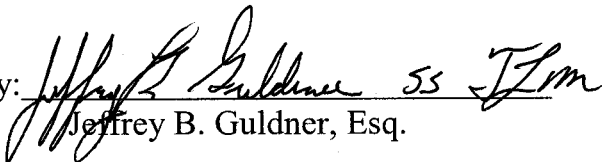
### 16                                     CONCLUSION

17       Precious time is needlessly passing. And there is a real possibility that the  
18 Commission's ultimate consideration of the Company's Application will be rendered a  
19 moot issue as time and events in the capital markets pass it by. APS has no choice but to  
20 ask that the Commission adopt the modestly expedited procedural schedule proposed  
21 herein—a schedule fully consistent with the previous discussions by the Commission on  
22 this subject. The Company further asks that the Commission give very strong  
23 consideration to hearing this matter itself, thus obviating the need for the ALJ to prepare a  
24 recommended decision and avoiding the attendant delay necessitated by such a  
25 recommendation and any associated exceptions.

26       <sup>2</sup>       APS will unilaterally forego the extra time for filing its direct testimony allowed by the ALJ and  
also accelerate the publication of notice in an effort to expedite these proceedings.

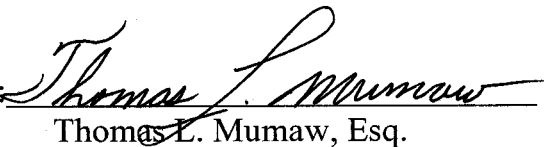
1           RESPECTFULLY SUBMITTED this 10<sup>th</sup> day of October 2002.

2                           SNELL & WILMER

3  
4           By:  ss JZm  
5                           Jeffrey B. Guldner, Esq.

6   and

7                           PINNACLE WEST CAPITAL  
8                           CORPORATION LAW DEPARTMENT

9  
10           By:   
11                           Thomas L. Mumaw, Esq.

12                           Attorneys for Arizona Public Service  
13                           Company

14  
15  
16   The original and 10 copies of the foregoing were  
17   filed this 10th day of October, 2002 with:

18   Docket Control  
19   Arizona Corporation Commission  
20   1200 West Washington  
21   Phoenix, AZ 85007.

22   Copies of the foregoing mailed, faxed or  
23   transmitted electronically this 10th  
24   day of October, 2002 to:

25   All parties of record.

26     
27     
28   Vicki Dicola